

A winner on government copay

- Limited impact from copay insurance with only ¼ revenue exposure
- Softer 4Q25 will follow by stronger 2026-28 on low-risk expansions
- Maintain BUY but cut TP to THB1.8

A solid y-y, softer q-q 4Q25E net profit

We project 4Q25 net profit at THB348m, up sharply from a net loss of THB390m in 4Q24, mainly due to the absence of the negative impact of THB106m loss from the unexpected change in Social Security Office (SSO)'s RW from THB12,000/RW down to THB8,000/RW. On a q-q basis, we expect net profit to drop from THB400m in 3Q25 to THB348m in 4Q25 on the weak demands.

Limited impact from copay insurance

Unlike most other Thai hospitals whose revenue are generated from insurance-paid patients, CHG has only ¼ of its revenue from patients under the insurance payment system. Most of CHG's revenue come from government enterprises - SSO (31% in 9M25), national Health Security Office (NHSO, 5%) while the remaining 64% derived from cash (29%), Workmen compensation (6%), and insurance (29%).

Upside (not downside) from SSO

Unlike 4Q24 when SSO abruptly cut its payment for Relative Weight (RW) applied for the disease payment to hospitals from THB12,000/RW down to THB8,000/RW, resulting CHG incurring THB106m in 4Q24. In 2025, SSO has changed its payment structure and now confirmed to retain THB12,000/RW for the IPD's payment to hospitals. In addition, CHG could see upside from the likely increase in the capitation from the current THB1,604/patient/year, with IPD payment at THB746/patient/year and OPD at THB453/patient/year.

A series of low-hanging fruit capacity expansion underway

CHG remains committed to expansion of its three key projects, which we think will serve as a low-risk, high-growth drivers for CHG in 2026-28. We highlight that all CHG's expansion projects have pent-up demands that will immediately be filled up by the new facilities, including 1) a new OPD building (THB50m investment, COD 1Q26E, payback 1-2 years); 2) 100 new beds from two new buildings and one parking building (THB0.5b, COD 4Q27E, payback 5 years); 3) a new 200-bed Rayong International hospital (THB1.5b, COD 4Q27E, payback 7-8 years).

Maintain BUY but trimmed TP to THB1.80

We maintain BUY but cut our TP from THB2.6, previously based on 23x 2026E P/E, down to THB1.8, now based on 16x 2026E P/E, to reflect the structurally weaker system of Thailand's copay and weak demand outlook. However, we think among Thai hospitals, CHG remains an attractive investment play thanks to its high exposure to government-s related enterprises and the coming low-hanging fruit capacity expansions in 2026-27.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

ESG Rating : n.a.

CG Rating : n.a.

BUY

Target Price 12M (THB)	1.80
VS. BB Consensus TP (%)	-11.8%
Share Price (THB)	1.52
Upside/Downside	+18.4%

Share Data

Market Cap (THB m)	16,720.00
Par (THB)	0.10
Free Float (%)	42.93
Issued shares (m shares)	11,000

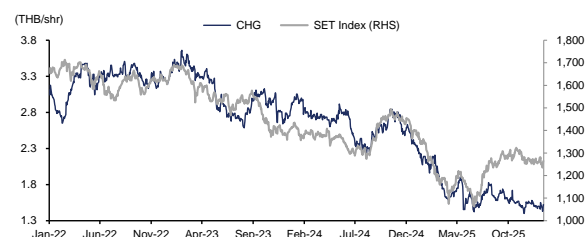
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	8,237	8,959	10,197	11,759
Net profit	978	1,198	1,250	1,394
Core net profit	978	1,198	1,250	1,394
vs Consensus (%)		19.5	12.2	16.0
Net profit growth (%)	(8.4)	22.5	4.3	11.5
Core net profit growth (%)	(8.4)	22.5	4.3	11.5
EPS (THB)	0.09	0.11	0.11	0.13
Core EPS (THB)	0.09	0.11	0.11	0.13
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.07	0.08	0.08	0.09
P/E (x)	27.89	13.96	13.38	11.99
P/BV (x)	3.53	2.00	1.90	1.80
ROE (%)	12.8	14.9	14.6	15.4
Dividend yield (%)	2.82	5.01	5.23	5.84

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(2.56)	(11.63)	(8.43)	1.33
Market	(1.64)	(9.86)	(15.72)	1.20
12M High/Low (THB)				2.36 / 1.39



Major Shareholders (%) as of 28 Aug 2025

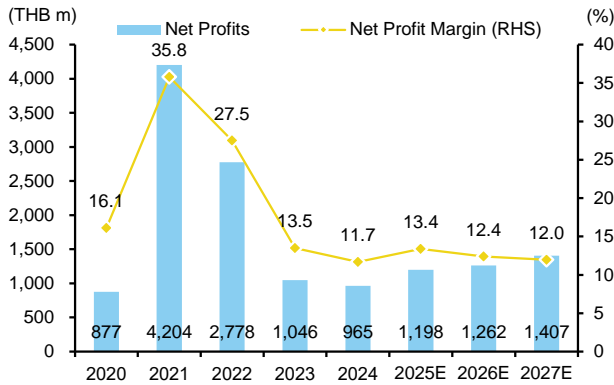
Ms. Kannikar Plussind	18.13
Mr. Apirum Panyapol	10.25
Mrs. Kobkul Panyapol	8.04

Company Profile

Chularat Hospital was founded in 1986 to operate private hospital, consists of 14 subsidiaries operating 15 branches. Chularat Hospital Group service areas cover around Suvarnabhumi International Airport from Praveet and Lat Krabang districts in Bangkok to Bangplee district in Samut Prakarn and the eastern areas along Bangna Trad Road, Gateway City Industrial Estate in Bangpakong district and Muang district in Chachoengsao, along 304 highway to Srimahaphot district in Prachinburi, Muang district in Chonburi, Aranyaprathet district in Sa-Kaeo, Muang district in Rayong (2 branches) and Mae Sot district in Tak with total registered 938 beds.

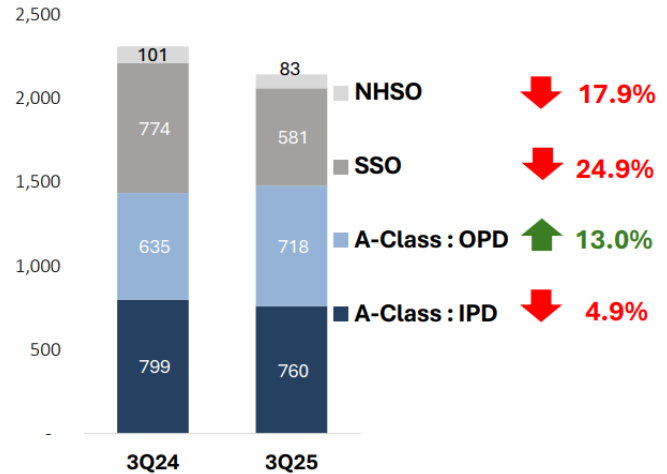
Source: SETSMART, SET

Exhibit 1: Net profit vs net profit margin



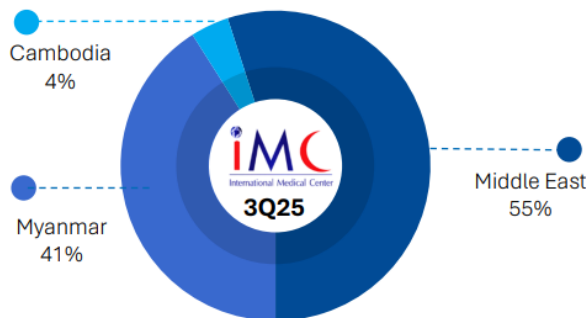
Sources: CHG; Globlex Research

Exhibit 2: Hospital revenue breakdown by customer group



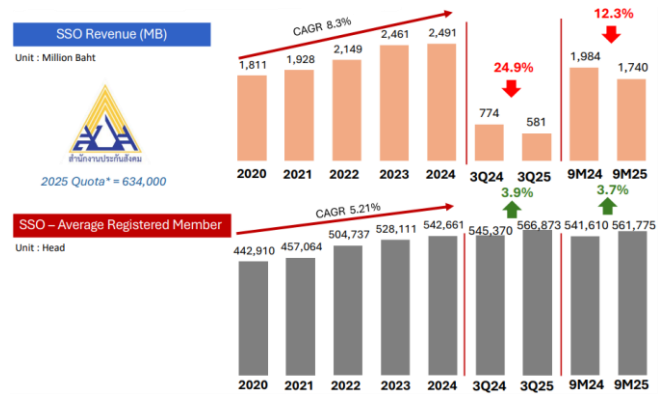
Sources: CHG

Exhibit 3: International Medical Center (IMC) at CH3 breakdown by nationality



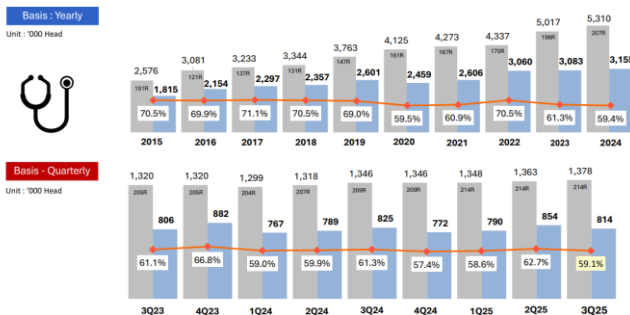
Sources: CHG

Exhibit 4: SSO revenue and average registered member



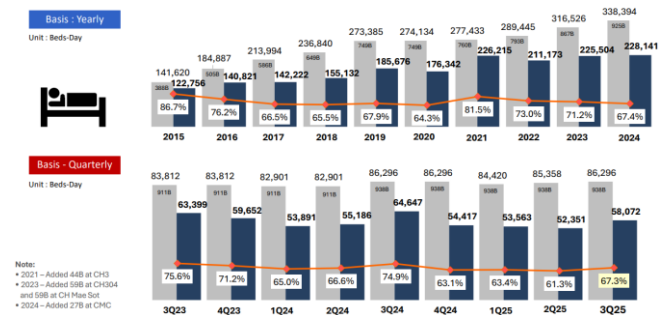
Sources: CHG

Exhibit 5: OPD utilization rate



Sources: CHG

Exhibit 6: IPD utilization rate



Sources: CHG

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	1,399	1,692	1,804	1,717	1,777
Account receivable	874	776	955	1,159	1,394
Inventories	336	300	332	383	445
Others	1,436	1,328	1,444	1,644	1,896
Non-current assets					
Net fixed assets	5,701	5,772	6,097	6,357	6,532
Others	517	519	519	519	519
Total Assets	10,264	10,387	11,152	11,780	12,564
Current liabilities					
Account payable	894	869	946	1,092	1,268
ST borrowing	127	131	131	131	131
Others	464	468	509	579	668
Long-term liabilities					
Long-term debts	556	512	512	512	512
Others	293	276	276	276	276
Total liabilities	2,333	2,256	2,374	2,590	2,855
Paid-up capital	1,100	1,100	1,100	1,100	1,100
Retained earnings	5,278	5,474	6,122	6,533	7,052
Others	1,146	1,146	1,146	1,146	1,146
Minority interest	406	410	410	410	410
Shareholders' equity	7,931	8,130	8,778	9,189	9,709

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(23.5)	6.6	8.8	13.8	15.3
Operating profit	(57.8)	0.1	18.3	5.8	10.9
EBITDA	(57.8)	0.1	18.3	5.8	10.9
Net profit	(62.6)	(8.4)	22.5	4.3	11.5
Core net profit	(62.6)	(8.4)	22.5	4.3	11.5
EPS	(62.6)	(8.4)	22.5	4.3	11.5
Core EPS	(62.6)	(8.4)	22.5	4.3	11.5
Profitability (%)					
Gross margin	31.7	32.4	32.3	31.4	30.9
Operation margin	19.9	18.7	20.3	18.9	18.2
EBITDA margin	19.9	18.7	20.3	18.9	18.2
Net margin	13.8	11.9	13.4	12.3	11.9
ROE	14.2	12.8	14.9	14.6	15.4
ROA	10.4	9.5	11.1	10.9	11.5
Stability					
Interest bearing debt/equity (x)	0.1	0.1	0.1	0.1	0.1
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	45.7	30.2	36.5	37.6	41.4
Interest & ST debt coverage (x)	7.3	6.3	7.8	8.2	9.3
Cash flow interest coverage (x)	0.6	0.5	0.4	0.4	0.3
Current ratio (x)	2.7	2.8	2.9	2.7	2.7
Quick ratio (x)	1.5	1.7	1.7	1.6	1.5
Net debt (THB m)	(717)	(1,049)	(1,162)	(1,075)	(1,135)
Activity					
Asset turnover (X)	0.8	0.8	0.8	0.9	1.0
Days receivables	31.0	31.0	31.0	31.0	31.0
Days inventory	34.0	35.0	35.0	35.0	35.0
Days payable	32.0	30.0	30.0	30.0	30.0
Cash cycle days	33.0	36.0	36.0	36.0	36.0

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	7,730	8,237	8,959	10,197	11,759
Cost of goods sold	(5,282)	(5,570)	(6,063)	(6,997)	(8,126)
Gross profit	2,448	2,667	2,897	3,200	3,633
Operating expenses	(911)	(1,127)	(1,075)	(1,273)	(1,496)
Operating profit	1,537	1,540	1,821	1,926	2,137
EBIT	1,097	1,042	1,299	1,378	1,561
Depreciation	(441)	(497)	(522)	(548)	(576)
EBITDA	1,537	1,540	1,821	1,926	2,137
Non-operating income					
Other incomes	284	244	219	221	219
Other non-op income	(11)	(6)	15	0	0
Non-operating expense	(24)	(35)	(36)	(37)	(38)
Interest expense	(24)	(35)	(36)	(37)	(38)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	1,346	1,245	1,497	1,562	1,742
Extraordinary items					
Current taxation	(279)	(267)	(299)	(312)	(348)
Minorities	0	0	0	0	0
Net Profit	1,067	978	1,198	1,250	1,394
Core net profit	1,067	978	1,198	1,250	1,394
EPS (THB)	0.10	0.09	0.11	0.11	0.13
Core EPS (THB)	0.10	0.09	0.11	0.11	0.13

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Operating cash flow	1,374	1,151	899	920	974
Net profit	1,067	978	1,198	1,250	1,394
Depre. & amortization	441	497	522	548	576
Change in working capital	433	222	(210)	(239)	(284)
Others	(566)	(546)	(611)	(640)	(712)
Investment cash flow	(1,480)	294	637	712	895
Net CAPEX	(1,468)	(569)	(10)	(10)	(10)
Change in LT investment	(0)	878	663	752	935
Change in other assets	(12)	(16)	(16)	(29)	(30)
Free cash flow	(106)	1,445	1,536	1,632	1,868
Financing cash flow	(495)	(1,153)	(1,423)	(1,719)	(1,808)
Change in share capital	0	0	0	0	0
Net change in debt	66	4	0	0	0
Dividend paid	(550)	(550)	(550)	(839)	(875)
Others	(11)	(607)	(873)	(881)	(934)
Net cash flow	(601)	292	113	(87)	60
Per share (THB)					
EPS	0.10	0.09	0.11	0.11	0.13
Core EPS	0.10	0.09	0.11	0.11	0.13
CFPS	0.14	0.13	0.16	0.16	0.18
BVPS	0.68	0.70	0.76	0.80	0.85
Sales/share	0.70	0.75	0.81	0.93	1.07
EBITDA/share	0.14	0.14	0.17	0.18	0.19
DPS	0.07	0.07	0.08	0.08	0.09
Valuation					
P/E (x)	na	27.89	13.96	13.38	11.99
P/BV (x)	na	3.53	2.00	1.90	1.80
Dividend yield (%)	2.23	2.82	5.01	5.23	5.84
Dividend payout ratio (%)	72.15	78.74	70.00	70.00	70.00

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.